

**FLOOR SCHEDULE FOR WEDNESDAY, FEBRUARY 3, 2016**

HOUSE MEETS AT:	FIRST VOTE PREDICTED:	LAST VOTE PREDICTED:
<b>10:00 a.m.: Morning Hour</b> <b>12:00 p.m.: Legislative Business</b>  <b>Fifteen "One Minutes"</b>	<b>1:30 – 2:30 p.m.</b>	<b>4:00 – 5:00 p.m.</b>

**[H.Res. 595](#) – Rule providing for consideration of both [H.R. 1675](#) – Encouraging Employee Ownership Act of 2015 (Rep. Hultgren – Financial Services) and [H.R. 766](#) – Financial Institution Customer Protection Act of 2015 (Rep. Luetkemeyer – Financial Services) (One hour of debate).** The Rules Committee has recommended one Rule which would provide for consideration of two bills.

For H.R. 1675, the Rules Committee has recommended a structured Rule that provides for one hour of general debate equally divided and controlled by the Chair and Ranking Member of the Committee on Financial Services. The Rule allows for 7 amendments, debatable for 10 minutes equally divided between the offeror and an opponent. The Rule allows one motion to recommit, with or without instructions, and waives all points of order against the legislation.

For H.R. 766, the Rules Committee has recommended a structured Rule that provides for one hour of general debate equally divided and controlled by the Chair and Ranking Member of the Committee on Financial Services. The Rule allows for 2 amendments, debatable for 10 minutes equally divided between the offeror and an opponent. The Rule allows one motion to recommit, with or without instructions, and waives all points of order against the legislation.

The Rules Committee also rejected a motion by Mr. Polis of Colorado to make in order Mr. Perlmutter of Colorado’s amendment. **Members are urged to VOTE NO.**

**[H.R. 1675](#) – Encouraging Employee Ownership Act of 2015 (Rep. Hultgren – Financial Services) (One hour of debate).** This bill is a combination of five bills from the Financial Services Committee.

The bill would direct the Securities and Exchange Commission (SEC) to raise the amount that triggers the requirement that public companies disclose certain information to investors, from \$5 million to \$10 million and to adjust the threshold every five years for inflation.

Also, this bill contains provisions from [H.R. 686](#) – Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2015, which would exempt merger and acquisition brokers from registration as broker-dealers with the SEC. Under these provisions, merger and acquisition brokers would be defined as brokers that facilitate the transfer of ownership of privately held companies with earnings of less than \$25 million or revenues of less than \$250 million annually, and the brokers would be exempt from the 1970 Securities Investor Protection Act which helps to protect customers and minimize their losses if they have been the client of a broker that has gone bankrupt.

H.R. 1675 also contains the language from [H.R. 1965](#) – Small Company Disclosure Simplification Act, which would require the SEC to exempt public companies with less than \$250 million in total annual revenues from the requirement to report their filings and financial statements using a computer program called “Extensible Business Reporting Language,” or XBRL, for a period of 3 to 5 years pending the outcome of a cost-benefit analysis that the SEC would be directed to conduct. XBRL is a computer readable reporting format that facilitates transparency by making it easier for investors to analyze and compare companies’ SEC filings; this provision would exempt nearly two-thirds of those currently required to report in this format.

The bill also contains the provisions from [H.R. 2354](#) – Streamlining Excessive and Costly Regulations Review Act, which would require the SEC to review all significant SEC rules within five years of enactment, and once every ten years thereafter, and determine by Commission vote whether they are: (1) “outmoded, ineffective, insufficient, or excessively burdensome;” or (2) no longer in the public interest or consistent with the SEC’s mission to protect investors, facilitate capital formation, and maintain fair, orderly and efficient markets. Any rule found to meet one of the above requirements would be subject to repeal or amendment by an SEC vote.

Lastly, the bill contains provisions from [H.R. 2356](#) – Fair Access to Investment Research Act of 2015, which would provide a safe harbor from certain investor liability for broker-dealers to distribute research related to Exchange Traded Funds (ETFs) and other similar investment products. Exchange Traded Funds (ETFs) are investment vehicles that own a portfolio of assets; unlike mutual funds their price fluctuates throughout the day, trading like stocks on an exchange. This provision would allow broker-dealers to issue research reports on investment funds, including ETFs, without such reports being considered as an offering for sale or shares of those funds.

In the Statement of Administration Policy, the President's senior advisors stated that they would recommend he veto this bill.

The Rule makes in order 7 amendments, debatable for 10 minutes, equally divided between the offeror and an opponent. The amendments are:

**DeSaulnier Amendment.** Directs the SEC to study and report to Congress on the prevalence of employee ownership plans within companies that include a flexible or social benefit component in their articles of incorporation, as allowed under relevant state laws.

**Huizenga Amendment.** Clarifies the disqualification from the underlying bill's exemption from broker-dealer registration requirements of any broker or associated person who is subject to suspension or revocation of registration, and the in-applicability of the exemption to any M&A transaction where one party or more is a shell company.

**Sherman Amendment.** Amends Title III by stipulating certain factors that would cause a mergers and acquisitions broker not to be exempt from registration with the SEC.

**Ellison/Polis Amendment.** Narrows the underlying bill's exemption from XBRL requirements to only "Emerging Growth Companies" and only for a period of three years, while permitting such companies to elect to use XBRL for such reporting.

**Issa/Polis Amendment #5.** Leaves intact the underlying bill's exemption from XBRL reporting for Emerging Growth Companies (EGCs,) while decreasing the exemption for other small companies with total annual gross revenues of less than \$250,000,000 from five years to two years and allowing the Securities and Exchange Commission to cancel the exemption within 180 days, instead of two years, if a cost-benefit analysis shows the benefits of XBRL reporting as outweighing the costs.

**Issa/Polis Amendment #6.** Limits all exemptions granted with respect to XBRL filing requirements only to companies obligated to begin submitting financial disclosures to the Securities and Exchange Commission after the date of enactment.

**Ellison/Carolyn Maloney/Quigley/Polis Amendment.** Repeals Title IV, the Small Company Disclosure Act (H.R. 1965), in its entirety from the bill, thus preserving the SEC requirement that public companies report their information related to corporate financial performance using XBRL.

#### **Bill Text for H.R. 1675:**

[PDF Version](#)

#### **Background for H.R. 1675:**

[House Report \(HTML Version\)](#)

[House Report \(PDF Version\)](#)

## **TOMORROW'S OUTLOOK**

The GOP Leadership has announced the following schedule for Thursday, February 4: The House will meet at 9:00 a.m. for legislative business. The House is expected to consider H.R. 766 – Financial Institution Customer Protection Act of 2015 (Rep. Luetkemeyer – Financial Services).

### **The Daily Quote**

"House Republicans on Tuesday failed to override President Barack Obama's veto of their bill gutting major pieces of Obamacare. Republican lawmakers said their doomed repeal bill fulfilled a promise to their base to continue their fight against the health law... [House Speaker Paul] Ryan [R-WI] has vowed that House Republicans will offer an Obamacare alternative this year — a promise that GOP leadership has made but failed to deliver on for six years since the law passed."

- Politico, 2/2/2016